

NOTION VTEC BERHAD
(Company No. 637546-D)

MINUTES OF THE FOURTEENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT PREMIERE HOTEL, BANDAR BUKIT TINGGI 1/KS6, JALAN LANGAT, 41200 KLANG, SELANGOR DARUL EHSAN ON FRIDAY, 23 FEBRUARY 2018 AT 9.30 A.M.

PRESENT:

DIRECTORS

Mr Thoo Chow Fah (Chairman)	-	Also a shareholder and proxies for shareholders as per Attendance Sheets attached
Mr William Choo Wing Hong	-	Also a shareholder
Mr John Choo Wing Onn	-	Also a shareholder
Mr Jerry Choo Wing Yew	-	Also a shareholder
Mr Lee Tian Yoke	-	Also a shareholder
Mr Saw Tat Loon		
Mr Alwin Yike Chee Wah		
Ms Anita Chew Cheng Im		

IN ATTENDANCE

Ms Tan Ai Ning	-	Company Secretary
----------------	---	-------------------

The list of shareholders, proxies and invitees who attended the Meeting are set out in the Attendance Listing attached and shall form an integral part of these Minutes.

1. CHAIRMAN

Mr Thoo Chow Fah being the Chairman of the Board of Directors presided as Chairman of the Meeting and welcomed all members and guests to the Meeting.

2. QUORUM

The Secretary confirmed that a quorum was present. With the requisite quorum being present, the Meeting was called to order at 9.30 a.m.

The Chairman introduced the Directors, the Company Secretary, the Auditors and the Share Registrar of the Company who were in attendance.

3. NOTICE

With the consent of the members present, the Notice convening the Meeting having been circulated within the prescribed period was with the permission of the Meeting taken as read. The Chairman then proceeded with the business of the Annual General Meeting ("AGM").

NOTION VTEC BERHAD
(Company No. 637546-D)

Minutes of the Fourteenth Annual General Meeting of the Company held on 23 February 2018

4. SUMMARY OF PROXIES RECEIVED

As part of good governance, the Chairman reported to all present that the Company had received in total 25 proxy forms from shareholders for a total of 81,400,447 ordinary shares representing 24.62% of the issued share capital of the Company.

Out of those, there were 2 shareholders who have appointed the Chairman of the Meeting as proxy to vote on their behalf and the shares so represented are 42,662,565, representing 12.90% of the issued share capital of the Company.

The Chairman also informed the Meeting that all the resolutions set out in the Notice of the AGM shall be voted by poll.

The Chairman further informed that the polling process would be conducted upon completion of the deliberations of all items on the Agenda. To facilitate the poll process, the Company has appointed Asia Securities Sdn Bhd as the independent scrutineers.

5. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017 AND THE DIRECTORS' AND AUDITORS' REPORTS THEREON

The Audited Financial Statements of the Company for the financial year ended 30 September 2017 together with the Directors' and Auditors' Reports thereon were tabled for discussion.

The Chairman invited questions from the floor on the Audited Financial Statements for the financial year ended 30 September 2017. A number of shareholders and proxies made comments and sought clarification on various issues which were succinctly addressed by the Chairman, the Financial Controller and the Managing Director. The salient issues raised were as follows:-

- 5.1 Mr Teh Kian Lang ("Mr Teh"), a shareholder raised several questions relates to the fire incident occurred on 20 October 2017 on (i) the types of machines to be written off; (ii) the accounting entry for the insurance claims received from the insurers; and (iii) the margin for Automotive segment and Hard Disc Drive segment.

The Chairman responded that:-

- (i) The Company had lost about 400 to 500 Computer Numerical Control ("CNC") machines during the fire incident. He updated the shareholders that the Company has put forward a partial material loss claim in excess of RM150 million and requested for further progressive claims. In addition, Company has allocated RM140 million for capital expenditure, mostly to purchase CNCs as well as

NOTION VTEC BERHAD

(Company No. 637546-D)

Minutes of the Fourteenth Annual General Meeting of the Company held on 23 February 2018

for a new factory in Thailand. They have also rented some factories nearby as well as utilising spaces in other factories in Johor and Thailand to reach production orders. The estimated written off of inventories are approximately less than RM100 million as some machines are fully depreciated. He added that the building has been substantially torn down and the next phase is to rebuild the factory.

- (ii) Mr Jerry Choo responded that the insurance claims received from the insurers will be parked under “operating income” as the claims received will be paid directly to suppliers of the machines. Mr Thoo added that Notion Venture Sdn Bhd has received a total of RM30 million from the insurers under material loss claims. He further explained that the insurance claims will be received progressively and the claims received are to be utilised to replace the lost machines with new and equivalent models.
- (iii) Based on the outlook for year 2018, the Company remains cautious, however the overall expected growth is roughly 20%. It will be a downtrend for camera segment whilst hard disc drive segment is growing. Automotive segment will contribute roughly 15% to the net profits. The Chairman added that new business namely aluminium extrusion technology will contribute approximately 20% revenue growth to the Company’s net profits.

5.2 Mr Yam Kang Yao (“Mr Yam”), a shareholder enquired on (i) the insurance claims received from the fire incident happened in year 2012; (ii) the plans to mitigate risks i.e. fire incident and flood; and (iii) whether the orders from customers have been substantially affected by the fire incident.

The Chairman responded that:-

- (i) The fire incident happened in year 2012 was a smaller fire compared to the recent incident, the insurance claims received was RM3 million for business interruption loss and RM30 million for fire claims.
- (ii) After the fire incident happened in year 2012, the Company has put a lot of effort in making sure the insurance coverage is sufficient. The Chairman commented that the material used for the factory’s ceiling is not proper even though it has been approved by the authorities. He added that they will use concrete building or concrete wood moving forward. In response to Mr Yam’s enquiry on the flood incident happened in Thailand, the Chairman commented that flood incident is unpredictable as it is an act of God, the only way to mitigate the risk is to have multiple factories
- (iii) Timeframe are given by orders from customers.

NOTION VTEC BERHAD

(Company No. 637546-D)

Minutes of the Fourteenth Annual General Meeting of the Company held on 23 February 2018

- 5.3 Mr Andrew Lim Cheong Seng (“Mr Andrew Lim”) commented that based on the Statements of Cash Flows of the Company, the Company has more than RM80 million cash to overcome the situation. He also noted that the factory will take approximately one year to rebuild. Mr Andrew Lim raised his concern on the current production capacity of the Company. Mr Thoo explained that the Company had raised some funds from the recent private placement of RM30 million and the conversion of Warrants-B of RM30 million. He added that Notion is able to meet customers’ expectation except for some new customers whereby Notion has to prioritise on important orders while rebuilding the factory. Mr William Choo commented that it will take one year to rebuild the factory but they are able to cope with existing customers’ demand with their existing capacity, whilst for new customers’ projects will have to delay due to short of space.
- 5.4 Mr Ng Ah Hai, a shareholder raised his interest in Johor plant and enquired on which sector, outlook and the future plan going forward. The Chairman explained that the Company has big plans to ensure recovery is on track. Johor plant is set up to cater for the demand from Singapore semi-conductor companies i.e. Dyson and ASM International. The Company is in the midst of developing new business. The management team foresees that Johor plant will have good growth and good prospect in near future.
- 5.5 Mr Teh further enquired on (i) the contract period for all segments; (ii) the strategy to tackle on full automation; and (iii) the percentage of foreign workers in Notion’s factories.

The Chairman responded that:-

- (i) There is no fixed contract period for most of the projects as the stringency of becoming an approved vendor is very high. Once a company has been selected as an approved vendor by big semi-conductor companies, it will continue unless the Company increased their price or opt to continue supplying.
- (ii) Automotive is design in-house or semi automation, full automation is very difficult to achieve. However, Notion is flexi manufacturer whereby the same CNC can be used for different segments, it will be easier to aim for full automation as full automation is good for fixed line of manufacture. Chairman added that the Company will be investing in aluminium extrusion technology and has obtained a grant from the government.
- (iii) Notion’s factories consist of about 80% to 90% foreign workers. It has been challenging to the Company due to the increasing labour cost and therefore, Notion is focusing more in Thailand for production and automation.

NOTION VTEC BERHAD**(Company No. 637546-D)***Minutes of the Fourteenth Annual General Meeting of the Company held on 23 February 2018*

- 5.6 Mr Sau Chin Yan (“Mr Sau”), a shareholder enquired whether the weakening of United States dollar (“USD”) impact the Company and the CNC machines used are mostly from Japan or other countries. The Chairman replied that the weakening in USD is still a concern for Notion but the receivables of Notion are mostly in Euro recently. The Company may be looking in hedging looking at this situation. The Chairman also replied that the CNC machines used by the Company are mostly from Japan.

After having addressed all the questions raised, it was recorded that the Audited Financial Statements of the Company had been duly received and adopted by the shareholders.

6. POLL PROCEDURE

After going through all the motions set out in the Notice of the Meeting, the representative from the Company’s Share Registrar briefed the floor on the polling procedures and directed the shareholders and proxies to put their votes via Tricor e-Vote system at the voting kiosks provided in the meeting room. The shareholders and proxies present were then given time to cast their votes.

The Chairman informed that the outcome of the poll would be announced after a short break as it would take some time for the scrutineers to tabulate the results of the poll. The Meeting was then adjourned at 10.25 a.m. for the votes to be counted and to enable the scrutineers to present their report to the Chairman.

POLL RESULTS

The Meeting resumed at 10.40 a.m. and after obtaining the report from the scrutineers, the Chairman announced the results of the poll as follows:-

Ordinary Resolution 1	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
To re-elect Mr Choo Wing Onn who is retiring in accordance with Article 69 of the Articles of Association of the Company	133,661,173	99.984	21,000	0.016

It was RESOLVED:-

That Mr Choo Wing Onn who retired pursuant to Article 69 of the Articles of Association of the Company be and is hereby re-elected as Director of the Company.

Ordinary Resolution 2	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
To re-elect Ms Anita Chew Cheng Im who is retiring in	133,661,173	99.984	21,000	0.016

NOTION VTEC BERHAD
(Company No. 637546-D)

Minutes of the Fourteenth Annual General Meeting of the Company held on 23 February 2018

accordance with Article 69 of the Articles of Association of the Company				
--	--	--	--	--

It was RESOLVED:-

That Ms Anita Chew Cheng Im who retired pursuant to Article 69 of the Articles of Association of the Company be and is hereby re-elected as Director of the Company.

Ordinary Resolution 3	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
To approve the payment of Directors' Fees of RM216,000 for the financial year ended 30 September 2017 and benefits payable of RM26,500 from 31 January 2017 to 30 September 2017	133,661,173	99.984	21,000	0.016

It was RESOLVED:-

That the payment of Directors' Fees of RM216,000 for the financial year ended 30 September 2017 and benefits payable of RM26,500 from 31 January 2017 to 30 September 2017 be and are hereby approved.

Ordinary Resolution 4	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
To approve the payment of Directors' Fees of up to RM250,000 and benefits payable of up to RM50,000 from 1 October 2017 until the conclusion of the next AGM	133,661,173	99.984	21,000	0.016

It was RESOLVED:-

That the payment of Directors' Fees of up to RM250,000 and benefits payable of up to RM50,000 to the Directors of the Company from 1 October 2017 until the conclusion of the next AGM be and is hereby approved.

Ordinary Resolution 5	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
To re-appoint Messrs Crowe Horwath as Auditors of the	133,632,173	100.000	0	0.000

NOTION VTEC BERHAD

(Company No. 637546-D)

Minutes of the Fourteenth Annual General Meeting of the Company held on 23 February 2018

Company and to authorise the Directors to fix their remuneration				
--	--	--	--	--

It was RESOLVED:-

That Messrs Crowe Horwath, having indicated their willingness to accept re-appointment, be and are hereby re-appointed as Auditors of the Company for the ensuing year until the conclusion of the next AGM at a fee to be determined by the Directors.

Ordinary Resolution 6	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
Authority for Mr Saw Tat Loon to continue in office as Independent Non-Executive Director	Tier 1			
	77,276,737	100.000	0	0.000
	Tier 2			
	39,021,433	69.242	17,334,003	30.758

It was RESOLVED:-

That authority be and is hereby given to Saw Tat Loon who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with Malaysian Code on Corporate Governance.

Ordinary Resolution 7	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
Authority for Ms Anita Chew Cheng Im to continue in office as Independent Non-Executive Director	116,298,170	87.029	17,334,003	12.971

It was RESOLVED:-

That authority be and is hereby given to Anita Chew Cheng Im who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with Malaysian Code on Corporate Governance.

NOTION VTEC BERHAD

(Company No. 637546-D)

Minutes of the Fourteenth Annual General Meeting of the Company held on 23 February 2018

Ordinary Resolution 8	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
Authority to Allot Shares pursuant to Section 76 of the Companies Act 2016 (“the Act”)	116,277,170	99.982	21,000	0.018

It was RESOLVED:-

That pursuant to Section 76 of the Act, the Directors be and are hereby empowered to allot and issue Shares in the share capital of the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company at the time of issue, subject always to the Articles of Association of the Company and approval for the listing of and quotation for the additional Shares so issued on the Bursa Malaysia Securities Berhad and other relevant bodies where such approval is necessary.

Special Resolution	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
Proposed Adoption of new Constitution of the Company (“Proposed Adoption”)	133,632,173	100.0000	0	0.0000

It was RESOLVED:-

That the Company’s existing Memorandum and Articles of Association be deleted in its entirety and that the new Constitution as set out in the Circular to Shareholders dated 30 January 2018 be and is hereby adopted as the new Constitution of the Company.

And that the Directors of the Company be and are hereby authorised to do all such acts, deeds and things as are necessary and/or expedient in order to give full effect to the Proposed Adoption with full powers to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities to give effect to the Proposed Adoption.

CONCLUSION


There being no other business to be transacted, the Chairman declared the Meeting closed at 10.45 a.m.

NOTION VTEC BERHAD

(Company No. 637546-D)

Minutes of the Fourteenth Annual General Meeting of the Company held on 23 February 2018

SIGNED AS A CORRECT RECORD

A handwritten signature in black ink, appearing to be 'S. K. S.', written over a horizontal line.

CHAIRMAN